

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INQUIRY INTO LOCAL COMPETITION,)	
UNIVERSAL SERVICE, AND THE NON-TRAFFIC)	ADMINISTRATIVE
SENSITIVE ACCESS RATE)	CASE NO. 355

O R D E R

A public hearing was held in this matter from March 25, 1996 through March 29, 1996. The focus of the hearing was somewhat altered by the recently enacted Telecommunications Act of 1996,¹ which mandates local telephone competition.

At the close of the hearing, the Commission established May 17, 1996 as the due date for optional post-hearing briefs. Further, the Commission requested at the parties option the following be addressed in their briefs:

(a) proposals, including estimated costs, for a potential universal service fund administrator; and

(b) suggestions for the process of implementing local competition, including detailed plans for possible industry workshops or other alternatives.

In addition, the Commission believes that cost information is necessary to enable it adequately to consider all options for implementation of competition and protection of universal service. BellSouth Telecommunications, Inc. ("BellSouth") has provided a long run incremental cost study in response to the Attorney

¹ Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996) (to be codified at 47 U.S.C. §§ 151 et seq.)

General's data request Item 4, September 18, 1995, and no further information is required from BellSouth at this time. GTE South Incorporated ("GTE") and Cincinnati Bell Telephone Company ("CBT"), however, should file cost study information within 45 days of the date of this Order.

IT IS THEREFORE ORDERED that:

1. GTE and CBT shall file, within 45 days of the date of this Order, a complete study of the most recent (1994 or 1995) estimate of incremental costs of local exchange service on a statewide disaggregated level (e.g., by LATA, exchange, rate group or switching center and separately for residence and business), provide workpapers including study documentation, a complete description of the study methodology, all data inputs and data sources, and all intermediate and final calculations and assumptions.

2. Within 20 days of the date of this Order, GTE and CBT shall advise the Commission in writing of the status of their responses.

Done at Frankfort, Kentucky, this 3rd day of April, 1996.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director